DEPARTMENT OF HEALTH AND HUMAN SERVICES FORM APPROVED
HEALTH CARE FINANCING ADMINISTRATION OMB NO. 0938-0193

**OFFICIAL FILE COPY**

| **TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION** | 1. TRANSMITTAL NUMBER: **02-19** | 2. STATE **Louisiana** |
|---|---|---|
| | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) | |
| TO: REGIONAL ADMINISTRATOR<br>HEALTH CARE FINANCING ADMINISTRATION<br>DEPARTMENT OF HEALTH AND HUMAN SERVICES | 4. PROPOSED EFFECTIVE DATE **October 21, 2002** | |

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ■ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

| 6. FEDERAL STATUTE/REGULATION CITATION: **42 CFR 447.321** | 7. FEDERAL BUDGET IMPACT:<br>a. FFY **2003** **$2,420.97**<br>b. FFY **2004** **$2,659.84** |
|---|---|
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:<br>Attachment 4.19 B, Item 2a, Page 1 & 1a.<br>Attachment 4.19B, Item 2a, Page 2 | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):<br>**Same (TN 02-17) pending**<br>**Same (TN 02-04)** |

10. SUBJECT OF AMENDMENT: **The purpose of this amendment is to increase the reimbursement rates for outpatient hospitals for clinic services.**

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT ■ OTHER, AS SPECIFIED: **The Governor does not review state plan material**

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

| 12. SIGNATURE OF STATE AGENCY OFFICIAL: David W Hood | 16. RETURN TO:<br>**State of Louisiana**<br>**Department of Health and Hospitals**<br>**1201 Capitol Access Road**<br>**PO Box 91030**<br>**Baton Rouge, LA 70821-9030** |
|---|---|
| 13. TYPED NAME: **David W. Hood** | |
| 14. TITLE: **Secretary** | |
| 15. DATE SUBMITTED: **November 22, 2002** | |

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| 17. DATE RECEIVED: 11 DECEMBER 2002 | 18. DATE APPROVED: 21 FEBRUARY 2003 |
|---|---|

PLAN APPROVED - ONE COPY ATTACHED

| 19. EFFECTIVE DATE OF APPROVED MATERIAL: 21 OCTOBER 2002 | 20. SIGNATURE OF REGIONAL OFFICIAL: Andrew A Fredrickson |
|---|---|
| 21. TYPED NAME: ANDREW A. FREDRICKSON | 22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR<br>DIV OF MEDICAID AND CHILDREN'S HEALTH |

23. REMARKS:

FORM HCFA-179 (07-92)

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Andrew A. Fredrickson
Associate Regional Administrator, Division of Medicaid & Children's Health

1301 Young Street, Room 833
Dallas, Texas 75202
Phone (214) 767-6495
Fax (214) 767-0270

February 21, 2003

Our Reference: SPA-LA-02-19

Mr. Ben Bearden, State Medicaid Director
Department of Health and Hospitals
Post Office Box 91030
Baton Rouge, LA 70821-9030

Dear Mr. Bearden:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 02-19. The purpose of this amendment is to increase the reimbursement rate for hospital outpatient visits.

Transmittal Number 02-19 is approved with an effective date of October 21, 2002, as requested. A copy of the HCFA-179, Transmittal No. 02-19 dated November 22, 2002 is enclosed along with the approved plan pages.

If you have any questions, please contact Jack Allen at (214) 767-4425.

Sincerely,

Andrew A Fredrickson
Associate Regional Administrator
Division of Medicaid and Children's Health

Enclosure

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

| CITATION | Medical and Remedial Care and Services Item 2.a. |
|---|---|
| 42 CFR 447.321 | |

**OUTPATIENT HOSPITAL SERVICES**

**Clinical diagnostic laboratory services** are reimbursed at the lower of:

1) billed charges;

2) the State maximum amount for CPT codes (State maximum amounts in effective as of September 15, 2002 are increased by ten percent [10%]); or

3) Medicare Fee Schedule amount.

**Outpatient hospital facility fees for office/outpatient visits are reimbursed at the lower of:**

1) billed charges; or

2) the State maximum amount (70% of the Medicare APC payment rates as published in the 8/9/02 Federal Register). Fee Schedule is available in the Hospital Program Provider Manual.

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**Outpatient surgeries** are reimbursed at:

1) the State maximum amount for those procedures on the State fee schedule available in the Provider Manual; or

2) for those procedures not on the State fee schedule, the maximum rate paid on the State fee schedule as of July 1, 2001 (State fee schedule available in the Provider Manual).

**Rehabilitation services (physical, occupational, and speech therapy).** Rates for rehabilitation services are calculated using the base rate from fees on file in 1997. The maximum rates for outpatient rehabilitation services are set using the State maximum rates for rehabilitation services plus an additional 10%. Effective September 16, 2002 the reimbursement rates for services rendered to Medicaid recipients over the age of 3 years are increased by 15% for outpatient hospital rehabilitation services.

SUPERSEDES TN: LA 02-17

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Rates for outpatient rehabilitation services provided to recipients up to the age of three are as follows:

| | |
|---|---|
| Initial Speech/Language Evaluation | $70.00 |
| Initial Hearing Evaluation | $70.00 |
| Speech/Language/Hearing Therapy 60 minutes | $56.00 |
| Visit with Procedure(s) 45 minutes | $56.00 |
| Visit with Procedure(s) 60 minutes | $74.00 |
| Visit with Procedure(s) 90 minutes | $112.00 |
| Procedures and Modalities 60 minutes | $74.00 |
| PT and Rehab Evaluation | $75.00 |
| Initial OT Evaluation | $70.00 |
| OT 45 minutes | $45.00 |
| OT 60 minutes | $60.00 |

SUPERSEDES: TN. LA 02-17

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (a) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

**Outpatient hospital services other than clinical diagnostic laboratory, outpatient surgeries, rehabilitation services and outpatient hospital facility fees for office/outpatient visits are paid as follows:**

**In-state private hospital outpatient services** are reimbursed on a hospital specific cost to charge ratio calculation based on filed cost reports for the period ending in state fiscal year 1997. Final reimbursement is adjusted to 83% of allowable cost through the cost report settlement process.

**In-state public hospital outpatient services** are reimbursed at an interim rate of 60% of billed charges. Final reimbursement is adjusted to 83% of allowable cost through the cost report settlement process.

**Out-of-state hospital outpatient services** are reimbursed at 50% of billed charges.

**Enhancement Pool For Public Hospitals**

**a. Enhancement Pool Creation**

An enhancement pool is created to increase reimbursement to public hospitals in proportion to their share of Medicaid billed charges in excess of Medicaid reimbursement as documented in the most recently filed cost report. The pool is created subject to the payment limits of 42 CFR §447.321 (the aggregate Medicaid payments may not exceed a reasonable estimate of the amount that would be paid for the services furnished by these hospitals under Medicare payment principles).

**b. Calculation of Hospital Payment Differential**

The hospital payment differential for any year shall be the difference between the upper payment limit of aggregate payments to non-state public hospitals as defined in 42 CFR §447.321 and the aggregate Medicaid per diem reimbursement paid to these hospitals for the year. This amount shall be calculated based on the hospital's latest filed cost report and shall be trended forward to mid-point of the current State fiscal year based on the Center for

SUPERSEDES: TN. LA 02-04

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